

INITIAL STATEMENT OF REASONS

Chapter 13. Uniform Commercial Code

Article 1. General Provisions.

Section 22600. Definitions.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of proposed regulation is to provide definitions for the terms used in the proposed regulations.

Necessity

The definitions are necessary to ensure uniform understanding and application of the regulations.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

SECTION 22600.1. Record Delivery Procedure.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

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Specific Purpose of the Regulation

The specific purpose of proposed regulation is to identify the specific methods of delivering UCC records to the Secretary of State for filing and at what point the records are deemed delivered.

Necessity

The necessity of the proposed regulations is to provide the public with the different methods in which UCC records may be delivered to the Secretary of State for filing. The proposed regulations define the point at which the record is deemed delivered, since it depends on the method of delivery.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

SECTION 22600.2. Search Request Delivery.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the methods in which UCC search requests may be delivered to the Secretary of State and that a search request for a debtor named on an initial financing statement may be submitted on the initial financing statement form.

Necessity

The necessity of the proposed regulation is to provide the public with the different methods in which UCC search requests may be delivered to the Secretary of State.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Article 2. Acceptance and Refusal of Records.

Section 22600.3. Continuation Period for Financing Statements.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the dates on which a continuation for a financing statement may be filed.

Necessity

The necessity of the proposed regulation is to inform the public as to the dates in which a continuation for a financing statement may be filed.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22600.4. Procedure Upon Refusal.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the procedures for refusing to accept a UCC record for filing upon grounds outlined in Section 9516 of the Commercial Code.

Necessity

The necessity of the proposed regulation is to inform the public of the procedures when the Secretary of State does not accept a UCC record for filing, including retaining the fee until the record is resubmitted.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22600.5. Refusal Errors.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to authorize the Secretary of State to file a UCC record that has been refused for filing, if a secured party or remitter demonstrates that the UCC record should have been filed.

Necessity

The necessity of the proposed regulation is to correct filing errors and identify the filing date and time. A filing officer statement shall accompany the filing indicating that the effective date and time of the filing shall be the date and time the UCC record was originally delivered for filing.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Article 3. UCC Information Management System/Electronic Records

Section 22600.6. IACA Standard Adopted.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the format of electronic transmission of UCC records.

Necessity

The necessity of the proposed regulation is to identify how the public shall transmit electronic UCC records to the Secretary of State.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22600.7. Implementation Guide.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify that the Secretary of State publishes an implementation guide for use of XML in the UCC filing system that is available to the public.

Necessity

The necessity of the proposed regulation is to provide the public with detailed information on XML use in the UCC filing system.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22600.8. Record filing Procedures.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the procedures for submitting UCC records on-line, including methods of payment, indexing records, and filing date and time.

Necessity

The necessity of the proposed regulation is to provide specific information on how the public is to submit UCC records on-line.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22600.9. Search Request Procedures.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the procedures for submitting UCC search requests, including methods of payment, indexing records, and filing date.

Necessity

The necessity of the proposed regulation is to provide specific information on how the public is to submit UCC search requests on-line.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Article 4. Filing and Data Entry Procedures.

Section 22601. Errors of the Filing Officer.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

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Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to authorize the Secretary of State to correct data entry errors.

Necessity

Given the nature of data entry, errors occur. Therefore, the necessity of the proposed regulation is to provide procedures for correcting such errors.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22601.1. Data Entry of Names – Designated Name Fields.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

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Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify how the names of organizations and individuals are entered into the Secretary of State's UCC Information Management System.

Necessity

Organizations and individuals may use various names or derivatives. The proposed regulations state that the Secretary of State shall enter into the UCC Information Management System the names of organizations and individuals as entered on the UCC records.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22601.2. Master Filings.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

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Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to authorize the use of a single UCC record to amend the secured party name or address on more than one financing statement.

Necessity

Many secured party lenders filing financing statements and liens have multiple UCC filings of record and conduct numerous transactions annually. Utilizing a single UCC record for the purpose of amending the secured party name or address on more than one financing statement will be less time consuming and more cost effective.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Article 5. Information Request and Search Response

Section 22601.3. General Requirements.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify that the Secretary of State maintains for public inspection a searchable index of all UCC records and records may be retrieved by the name of the debtor or file number of the initial financing statement.

Necessity

Many secured party lenders file financing statements and liens with the Secretary of State to secure their interests. An index of all filings permits the public to retrieve such information.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22601.4. Search Requests.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is identify the information necessary to submit a search request to the Secretary of State, including a search request submitted with a UCC filing.

Necessity

Provide the public with what is required to submit a search request to the Secretary of State.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22601.5. Rules Applied to Search Requests.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

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Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the rules that the Secretary of State shall apply in satisfying a search request.

Necessity

Organizations and individuals may use different names or derivatives of their names. Therefore, the proposed regulations provide certain rules that will apply to all searches to satisfy the request.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22601.6. Optional Information.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to provide further options to the public in submitting a search request, including the use of additional search perimeters and methods in which the results may be delivered.

Necessity

The results of a search request may be voluminous. Therefore, a request may include additional identifiers or perimeters that would narrow the results of the search. Given the various delivery capabilities identified in the proposed regulations, the results of the search may be returned by means other than ordinary mail.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22601.7. Search Responses.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify all the information that will be received in response to a search request submitted to the Secretary of State.

Necessity

Further detailed information regarding UCC filings on record is often necessary for the business community. The proposed regulation provides for further detail, including, but not limited to, the report date, financing statement history, and the number of records identified in the search.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Article 6. Other Notices of Liens

Section 22601.8.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting,

amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the liens pursuant to codes other than the Commercial Code that are filed with the Secretary of State and that these liens will also be included in responses to search requests.

Necessity

Information regarding liens filed pursuant to codes other than the Commercial Code is equally valuable to the businesses community. Therefore, this information is included in a response to search request.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22601.9. Types of Liens.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to identify the types of liens filed with the Secretary of State and the code section pursuant to which the liens are filed.

Necessity

Inform the public of the other liens that may be included in a response to a search request.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.

Section 22602.

Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is intended to Address

The revisions to the Commercial Code, specifically Section 9526, require the Secretary of State to adopt and publish rules to clarify and implement the legislative changes. In adopting, amending, and repealing filing office rules, the Secretary of State is required to consult with and consider the rules and practices of the filing offices in other jurisdictions and consult the most recent version of the Model Rules promulgated by the International Association of Corporate Administrators. In drafting the proposed regulations the Secretary of State consulted with and considered the *Model Administrative Rules* promulgated by the International Association of Corporate Administrators, currently known as the International Association of Commercial Administrators, to promote uniform procedures, practices, and technology among Uniform Commercial Code filing offices in the United States.

Specific Purpose of the Regulation

The specific purpose of the proposed regulation is to require a prescribed form be used to change a judgment lien or attachment lien that is on file.

Necessity

The necessity of the proposed regulation is to ensure uniformity in the filings to change a judgment lien or attachment lien, which will be more efficient for the Secretary of State and the public.

Technical, Theoretical, and/or Empirical Study, Report, or Documents

Model Administrative Rules, Uniform Commercial Code, Revised Article 9, Edited Draft, adopted by International Association of Corporate Administrators, currently known as International Association of Commercial Administrators.

Alternatives to the Proposed Regulatory Action that would be As Effective and Less Burdensome to Private Persons

None.

Alternatives to the Proposed Regulatory Action that would Lessen Any Adverse Economic Impact on Small Business

None.